

## INITIATIVE 605

I, Ralph Munro, Secretary of State of the State of Washington and custodian of its seal, hereby certify that the attached is a true and correct copy of Initiative Measure No. 605 to the People as it was received by this office.

AN ACT Relating to revenue and taxation; adding a new chapter to Title 84 RCW; repealing chapters 82.02, 82.03, 82.04, 82.08, 82.12, 82.14, 82.14A, 82.14B, 82.16., 82.18, 82.19, 82.21, 82.23A, 82.23B, 82.24, 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41, 82.42, 82.44, 82.45, 82.45A, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56, 82.60, 82.61, 82.62, 82.64, 82.65, 82.80, 82.98, 83.100, 83.110, including all chapters under Title 84, and their session law bases to the extent of conflict, under the Revised Code of Washington; prescribing penalties and making an appropriation.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

NEW SECTION. Sec. 1. We, duly registered Voters in the State of Washington, do hereby declare the existence of a CATASTROPHIC EMERGENCY, that requires immediate action to protect our Citizens from further loss of our RIGHTS guaranteed by the Constitution of Washington State. Many of these Rights are being denied us, through illegal actions of our ELECTED OFFICIALS, resulting in a complete breakdown of the POLITICAL, MORAL, and ECONOMIC STRUCTURES of our entire society.

THEREFORE, exercising the Legislative Powers reserved to ourselves to propose bills and laws to be enacted or rejected at the polls, independent of the Legislature, as set forth in ARTICLE 2. Sec., 1, of

the CONSTITUTION OF THE STATE OF WASHINGTON, we do hereby declare that, the intent and purpose of THE 1% TRANSACTION TAX ACT, is to establish A UNIFORM, DIRECT TAX ON ALL TAXABLE TRANSACTIONS of individuals and businesses in the State of Washington, as follows:

(1) By repealing all RCW Chapters and Sections which grant to each established taxing district the power to levy and collect: property taxes, sales taxes, business and occupation taxes, state gasoline and fuel taxes, hotel and motel taxes, all fees for licenses and permits, including excise and special-purpose taxes, and all other taxes, tolls, fees, tributes, tallages, gabbelles, impost duties, customs, subsidies, aids, supplies, or any collected revenue known by any other name. The People of the State of Washington find that over the years our legislatures and governors have sewn a patchwork quilt of revenue law that does not warm our citizens evenly, nor cover some at all. We want a blanket that shelters all of us equally. It is a fact that our present taxing system is unable to raise the necessary revenues to pay for, even the basic governmental services of public education, health and human services, police and fire protection, or well maintained roads and bridges. Our combined public bonded indebtedness is rising to unmanageable levels; as our State and its cities and counties follow the intricate trails in our revenue code into a mortgaged future.

Taken individually, many of our revenue laws would be brilliant medicines for the body government, since we, the people, are the government. However, through our elected officials and their legislative actions, we have forced ourselves to swallow revenue remedy after revenue remedy, not noticing that the many tax prescriptions for adequate schools, safer streets, fluent transportation, etc., would lead to the greater illnesses of over-taxation, unequal participation, and deficient collection.

Constitutional provisions require that we not pass laws which grant immunities or privileges to some, the terms of which do not apply to all. Also, personal property can not be taxed by more than 1 percent of true and fair value of the property owned. We earn a dollar... for owning that dollar we can not be taxed by the State and all its taxing districts combined more than one cent. The constitution defines property as anything of value whether tangible or intangible subject to ownership. Money is property! Yet we are not free to spend it in most cases unless we also pay taxes up to forty (40) percent depending upon what we choose to purchase. Our property rights are being overrun by a taxation train, whose committee of engineers do not know the constitutional speed limit of one percent per year! Therefore, we must enforce our taxational speed limits, and apply them evenly, and on every byway of commerce.

(2) By enacting A NEW CHAPTER UNDER TITLE 84 RCW, granting the State, the Counties, and the Cities the power, through their governing bodies, to levy and collect taxes on all taxable transactions occurring within their established taxing districts. The Revenue Department of the State of Washington shall establish, by general and uniform regulations the procedures to be followed by each of the taxing districts in the Counties, the Cities, and the State itself, in the levying and the collection of the Transaction Tax. The Revenue Department shall also arrange for the transfer of the State's portion of the revenue collected in the Counties and the Cities, and the timely deposit of said funds in the Treasury of the State of Washington. The Transaction Tax created by this Act, upholds the Constitutional limitation of 1% of the true and fair value of the property transacted, however, the tax-rate may be lowered, by the Revenue Department, as set forth under Section 8-1, of this Act.

(3) By granting complete AMNESTY to all who have in the years past, violated our State Constitution through evading their responsibility of sharing in the cost of Government. AMNESTY will follow their becoming full and responsible sharing-taxpayers. Naturally, they will be paying more, but, what they do pay will be at the same low rate established for everyone. There are millions upon millions of transactions occurring in the market place daily, and with everyone participating in the payment of taxes on the transactions in which they are involved, our tax-base will be the broadest possible, with a tax-rate that could eventually be a fraction of one percent! Businesses will prosper; new jobs will be created; public services and institutions will be adequately funded; and, THE STATE OF WASHINGTON CAN BECOME FINANCIALLY INDEPENDENT OF THE FEDERAL GOVERNMENT AND THE DICTATORIAL CONTROL IT NOW HAS OVER OUR VERY LIVES! Our Citizens will 'walk tall' in the knowledge that our DEBT-FREE status will restore our STATE'S RIGHTS, that are guaranteed us in The Constitution of The United States of America, as set forth on July 4, 1776, by those 56 great patriots, who with a firm reliance on the protection of Divine Providence, mutually pledged to each other their lives their fortunes and their sacred honor, as they signed The Declaration of Independence, culminating in our United States Constitution. A NEW HOPE will be generated in the hearts of The People; and the State of Washington will set an example for other states to follow.

NEW SECTION. Sec. 2. This chapter may be known and cited as The Transaction Tax Act of 1994.

NEW SECTION. Sec. 3. DEFINITIONS, as used in this Chapter:

(1) "Tax" means any pecuniary burden levied and collected by any taxing authority for public use or purpose excluding fines levied as penalties for offenses.

(2) "Taxable year" means the calendar year January 1st through December 31st.

(3) "Transaction" or "Transacted" means the licensed or privileged act of transferring ownership or control of taxable property from one owner to another by whatever means, whether by sale, by loan, by barter or contract, or by the giving or receiving (without purchasing) taxable property, tangible or intangible, as a gift.

(4) "Taxable property" means all moneys and the current dollar-value of things other than money, whether tangible or intangible, subject to ownership or control, at the time of a taxable transaction.

(5) "Barter" means the exchange of taxable property from one owner to another; usually, a trade without the involvement of money.

(6) "Taxpayer" means any individual or business permitted or licensed, by the State of Washington, that receives money or other taxable property, as a gift, or as the 'seller' of goods or services in any taxable transaction.

(7) "Taxing district" means (a) The State of Washington, (b) the individual Counties, and (c) all incorporated Cities authorized to levy taxes under this Chapter.

(8) "Business" means and includes every privileged or licensed individual, partnership, corporation, association, trust, foundation, joint venture, club, company, joint stock company, holding company, public or private institution, and any branch thereof participating in any transaction as a seller of taxable property wherever transacted.

(9) "Branch" means any division, subdivision, agent, representative, facility (either electronic or mechanical), in the State of Washington receiving taxable property for any parent business wherever located.

(10) "Hope" means desire with the expectation of fulfillment.

NEW SECTION. Sec. 4. Taxing districts may uniformly lay and collect taxes on all taxable property received by each taxpayer within the boundaries of the district. The tax rate shall be levied equally upon the taxable property received by each individual person and business or branch thereof within each taxing district.

NEW SECTION. Sec. 5. The limit of the tax levy by any one taxing district shall be 1/2 of one percent (prorated between overlapping districts) against all taxable property received by each taxpayer during any one taxable year. The aggregate of all tax levies against an individual or business, by the state and each taxing district, shall not exceed one percent of the true value of the taxable property received as a seller of taxable property and consistent with the Washington State Constitution, with respect to port and utility districts, relating to levy limitations.

NEW SECTION. Sec. 6. Each taxpayer participating in a barter transaction receiving taxable property shall be subject to the tax levy based on the market dollar value of the property received from this transaction.

NEW SECTION. Sec. 7. Each taxpayer shall, on or before February first of each year, file a certified declaration of the total dollar value received as a seller of taxable property during the preceding calendar year. However, the first declaration after the effective date of this act shall include only the six months of July through December of the previous calendar year.

NEW SECTION. Sec. 8-1. A flat rate tax of one percent shall be levied upon the total dollar value of all taxable property transacted within the boundaries of each taxing district authorized to levy taxes on property (prorated between overlapping taxing districts). This levy rate shall commence on July 1st of the enactment year of this law and

continue until all bonded indebtedness has been eliminated throughout the State, after which, the Revenue Department shall use the following method to establish a tax levy rate to be adopted for each succeeding taxing biennium: The total dollar value of all taxable transactions within each taxing district during the preceding two calendar years, is to be divided into the dollar total of the approved biennial budgets of all taxing districts. The percentage result will create the new tax levy rate for each succeeding two year period. However, the tax rate for ANY BIENNIUM, IS NEVER TO EXCEED THE CONSTITUTIONAL ANNUAL RATE LIMITATION OF 1%.

NEW SECTION. Sec. 8-2. The State Legislature shall provide for the establishment of a special fund from the State's portion, of the Transaction Tax, to be divided equally and used only for state wide BASIC EDUCATION and HEALTHCARE PROGRAMS.

NEW SECTION. Sec. 9. All money collected in excess of the approved budgets of each taxing district shall be used to reduce any outstanding indebtedness before applying them to lower the forthcoming budget of the district. Prevailing bond commitment repayment schedules, of each taxing district shall prevail over all budget expenditures.

NEW SECTION. Sec. 10. The combined tax levy shall be collected from each business on a monthly basis. This requirement may be uniformly modified by the Director of Revenue, at the Director's discretion, forty-eight months after the effective date of this act.

NEW SECTION. Sec. 11. Each employer shall, on a monthly basis, withhold the combined state and local taxing districts' levies against all taxable property paid to each/every member of the firm or business, and to each employee, or others receiving money or other taxable property, in exchange for services (tangible or intangible) performed for the employer. All taxes withheld by the employer shall be

transmitted to the designated taxing authorities, on a monthly basis, and credited to each taxpayer, as prepaid taxes. An annual statement showing the total amount of prepaid taxes withheld, is to be furnished to each employee, by the employer.

NEW SECTION. Sec. 12. Each individual taxpayer who is not covered under Section 11 of this act or who has not paid the tax in full, shall pay the tax on or before July 1 of each year for the preceding calendar year, based on the total amount of taxable property received during the preceding calendar year.

NEW SECTION. Sec. 13. It is unlawful for any person to reveal, disclose, or divulge any information concerning any taxpayer's return to anyone except those charged with the responsibility of processing or handling such information. A violation of this section constitutes a gross misdemeanor.

NEW SECTION. Sec. 14. It is unlawful for any taxpayer to intentionally fail or refuse to comply with the provisions of this chapter. A violation of this section shall constitute a gross misdemeanor.

NEW SECTION. Sec. 15. A five percent per month penalty shall be assessed against any taxpayer for failure to pay the levied tax within thirty days after the due date thereof.

NEW SECTION. Sec. 16. This chapter shall not preclude any legal court proceedings instituted under existing statutes, nor affect any taxes approved by the people before the enactment of this law to pay the principal and interest on bonds.

NEW SECTION. Sec. 17. The Department of Revenue shall be responsible for and is hereby authorized to adopt rules and uniform procedures to carry out the requirements of this chapter. The provisions of chapter 82.32 RCW, insofar as applicable and not inconsistent therewith, shall apply to this chapter.



NEW SECTION. Sec. 18. There is appropriated from the general fund to the Department of Revenue, immediately after the certification of the passage of this act, the sum of one hundred million dollars, or so much thereof as may be necessary, to carry out the provisions of this act.

NEW SECTION. Sec. 19. In order to assure the sanctity of the PEOPLE'S VOTE on this issue, PAPER BALLOTS, as set forth under RCW 29.01.006 and 29.04.210, shall be used statewide, at all precincts including all ABSENTEE BALLOTS.

NEW SECTION. Sec. 20. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 21. This Chapter supercedes those sections or portions of sections, that are in conflict with this Chapter at the time of its official validation.

NEW SECTION. Sec. 22. The following chapters and their session law bases are each repealed, effective with the enactment and certification of this act: 82.02, 82.03, 82.04, 82.08, 82.12, 82.14, 82.14A, 82.14B, 82.16., 82.18, 82.19, 82.21, 82.23A, 82.23B, 82.24, 82.26, 82.27, 82.29A, 82.34, 82.35, 82.36, 82.37, 82.38, 82.41, 82.42, 82.44, 82.45, 82.45A, 82.46, 82.47, 82.48, 82.49, 82.50, 82.52, 82.56, 82.60, 82.61, 82.62, 82.64, 82.65, 82.80, 82.98, 83.100, 83.110, including, all chapters under Title 84, and other chapters and their session law basis, to the extent of conflict, under the Revised Code of Washington; prescribing penalties and making an appropriation.

NEW SECTION. Sec. 23. Sections 1 through 22 of this act shall constitute a new chapter in Title 84 RCW.

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